

General Government

Administration, Department of

- The Governor's recommendation includes \$750,000 in one-time funding to facilitate moving agencies out of the Capitol building in FY 2006 in order to begin the renovation of the Capitol building. This includes the physical move of agencies, as well as any additional lease expenses that may be incurred in FY 2006. Also included is \$1,500,000 in one-time funding for additional expenses related to the relocation of Capitol tenants during FY 2007.
- In addition to the moving costs, the Governor is recommending a supplemental for FY 2006 in the amount of \$500,000 in dedicated funding for the Capitol Commission to update the Capitol restoration design, prepare bid documents, and award contracts for the Capitol restoration.
- The Governor's recommendation includes \$2,500,000 in dedicated funding for the renovation of the Governor's residence. This spending authority is to utilize privately donated funds from the Idaho Community Foundation for the renovation of the former Simplot residence.
- During the federal review of the 2003 Statewide Cost Allocation Plan (SWCAP), it was found that unallowable expenses combined with prior year's agreements resulted in an excess retained earnings balance. The federal government requires a 20% payback of excess retained earnings balances. The Governor's recommendation includes \$1.9 million in payback expenses required by the federal government.
- The Permanent Building Fund budget includes \$23.7 million for alteration and repair projects, of which \$9.0 million is to be dedicated to higher education projects. Also included is \$800,000 for Americans with Disabilities Act compliance projects, and \$400,000 for asbestos abatement projects. The Governor is recommending funding for the Park and Recreation's Experience Idaho Project, a new combined office space for Idaho State Police in Meridian, renovation of the Pocatello armory, a new Canyon County office for the Department of Commerce and Labor, a 24-bed expansion of the mental health unit in Nampa for the Department of Juvenile Corrections, a new parking garage for Veteran Services in Pocatello, a new 300-bed facility for the Department of Correction, and funds for purchase of the lands surrounding the new Governor's residence.
- The Governor is recommending, within the Capitol Commission's budget, \$252,000 in dedicated funding to hire a full-time administrative position to manage all administrative aspects of the Commission's operations and provide additional Operating Expenditures to address increased responsibilities that will accompany the renovation project.
- The Governor's recommendation includes an increase of \$500,000 in the bond payment program for the acquisition and construction of the Eastern Idaho Technical College (EITC) Health Care Education building located in Idaho Falls.
- The Governor is recommending an increase in health insurance of 3.5%, which equates to \$250 per person. Controller, Office of the State
- Although the Governor defers the decision on enhancements requested by elected officials to the Legislature, he does support the State Controller's effort to improve data access and utility for state agencies through the business intelligence and on-line payroll projects.

Budget Highlights

Governor, Office of the

- Governor Elect Transitional Fund: Per *Idaho Code* 67-815, the Division of Financial Management is required to provide services and facilities to the governor-elect from moneys set aside in the governor-elect transitional fund. The Governor recommends \$15,000 which is consistent with the amount requested and appropriated during the last Governor transition.

Governor, Executive Office of the

Military Division

- The Governor supports reinstating \$75,000 and providing an additional \$25,000 in General Fund dollars to support the Idaho Military Division's Tuition Assistance Program for those wishing to obtain a college education.
- The Governor recommends 6.0 FTPs, \$250,800 in General Fund dollars and \$6,352,500 in federal funds for increased repairs and maintenance activities on the training facilities at Gowen Field and at the state armories
- The Governor's recommendation includes \$450,000 in one-time funding to replace the damaged roof on the Twin Falls Armory.
- Funding is recommended in the amount of \$700,000 to replace the HVAC system in the Idaho National Guard Headquarters Building at Gowen Field.
- The Governor recommends \$105,000 in funding for an engineering consultant to conduct a sustainment evaluation of all armories throughout the state.
- The Governor recommends a one-time noncognizable increase in federal funding of \$893,700, 40.0 FTPs for six months of FY 2006, and \$464,200 for three months of FY 2007. The positions will be used to provide security to Gowen Field.
- A total of \$278,500 in funding is recommended for the Pre-Disaster Mitigation Program. It provides cost-share funding to cities and counties for planning and implementing mitigation projects and provides technical assistance activities by the state.

Public Employee Retirement System

- The Governor's recommendation includes approximately \$2.2 million in re-appropriation authority for the final phase of the redesign of workflow and business processes the agency began in FY 2005. The majority of these funds will be utilized to purchase and implement an imaging and workflow system and consulting.

Tax Commission, State

- The Governor recommends several information technology initiatives to improve customer service and security within the tax system. He supports replacing the backup tape library, backup software, and acquiring storage management software, as well as an upgrade to the security infrastructure and related technology.
- The Governor recommends reducing overall costs by replacing higher priced outside temporary workers with 3.0 FTP. The positions support Geographic Information Systems (GIS) and technical services for counties and the result of the change is an overall savings to the General Fund.

Public Safety

Correction, Department of

- The Governor recommends a \$609,500 General Fund supplemental to cover the increased cost of the new medical contract. The daily per offender rate for FY 2006 will be \$9.75, an increase of \$2.21 per day above the previous Prison Health Services contract.

- A General Fund supplemental, in the amount of \$3,121,800, is recommended to pay for the cost of housing offenders in county jails due to the projected population growth in offenders for FY 2006.
- The Governor recommends a \$4,751,000 General Fund supplemental and 4.0 FTP to cover the cost of sending Idaho inmates out-of-state. The population increase, the loss of 159 beds at the Idaho State Correctional Institution, and limited county bed space contributed to the department sending 302 offenders to a Minnesota institution at a per diem rate of \$53.00.
- The Governor's recommendation includes a supplemental for \$291,100, \$265,600 of which is General Fund, and 5.0 FTP for the St. Anthony Work Camp. Additional staff is needed due to the increase in population, the addition of new beds due to a dorm remodel, and because of line-of-sight limitations.
- A total of \$6,121,700 in General Fund dollars is recommended in FY 2007 to cover the housing costs associated with the FY 2007 projected increase in the offender population. Funding will offset county jail or out-of-state costs.
- The Governor recommends \$794,600, \$615,200 of which is General Fund, to fund 12.0 probation and parole officers and 2.0 pre-sentence investigators in the Community Supervision Program. These positions are needed to supervise an additional 800 offenders that are expected to re-enter communities.
- A total of \$588,100 in General Fund dollars is recommended to fund a \$1.27 increase in the department's contract with the Correction's Corporation of America for the private operation on the Idaho Correctional Center.
- The Governor recommends \$236,800, \$221,800 of which is General Fund, and 3.0 parole hearing officers for the Pardon and Parole Commission. The addition of these positions will help increase the number of offenders considered for parole each month and prevent increases in lengths-of-stay for parole violators waiting to get their cases reviewed by the commission.
- Part of the Governor's compensation initiative includes \$818,000, \$742,400 of which is General Fund, to increase salaries for security staff, probation and parole officers, and parole hearing officers within the Department of Correction. Additional funding is recommended beyond the change in employee compensation to help the department enhance recruitment efforts and reduce turnover.
- The Governor recommends \$1,504,500, \$1,475,100 of which is General Fund to construct a 400-bed community based substance treatment facility called the Correctional Alternative Placement Program (CAPP). In FY 2008, the annualized amount for this facility will be an estimated \$6,671,500, resulting in a total cost for the facility of \$8,176,000. The proposal is that a private provider will build, own, and operate the facility. The vision for the CAPP is that it will successfully reduce the need for additional prison beds by diverting offenders from prison, reducing the length of stay prior to parole, and reintegrating offenders from prison back into the community. In addition, the funding provides for 7.0 FTPs to provide coordination, transportation, integration, and contract monitoring services between the contractor and the department.

Juvenile Corrections, Department of

- The Governor's compensation initiative includes \$114,800 in General Fund dollars to increase salaries for safety and security officers and rehabilitation technicians within the Department of Juvenile Corrections. Additional funding is recommended beyond the change in employee compensation to help the department enhance recruitment efforts and reduce turnover.
- The Governor's compensation initiative includes \$139,400, \$132,100 of which is General Fund, to increase the salaries for all Idaho State Police employees. This totals an additional 0.5% in funding beyond the change in employee compensation to more adequately address the compensation needs of commissioned and non-commissioned employees.
- A total of \$152,200, \$146,200 of which is General Fund, and 2.0 FTPs are recommended in the Forensics Program. The positions will help reduce the backlog that has developed in both latent fingerprinting and the CODIS/DNA area.

Budget Highlights

Health and Human Services

Catastrophic Health Care (CAT)

- The Governor recommends an ongoing supplemental of \$3,000,000 (General Fund) for the CAT Fund to provide for anticipated increases in health care expenditures.
- The Governor recommends an additional \$539,700 ongoing from the Millennium Fund to provide for health care costs to be borne by the CAT Fund.
- The Governor also recommends a fund shift from the General Fund to the Millennium Fund of \$18,227,100 for the CAT Fund. The Governor also recommends that, in the future, the maximum appropriation to the CAT Fund from the Millennium Fund be capped at \$20,000,000.

Health and Welfare, Department of

- The Governor's budget recommendation includes the implementation of his new Medicaid Reform proposal. This a "common sense" approach to modernizing Idaho's Medicaid program by applying long-term reforms that will simplify the system; reduce costs; and focus on prevention, wellness, and personal responsibility. The plan redesigns the program into four separate programs: Administration and Medical Management; Healthy Children and Working Adults; Special Needs; and the Elderly. Each of these programs has different policy goals and objectives based on the needs of the individual.
- The Governor recommends increases for Prevention Services and Risk Assessments as part the Medicaid Reform proposal. This focus on prevention and wellness will include reproductive health and neonatal services. In addition, Idaho will implement a pilot benefit program that will support healthy behaviors through the establishment of Personal Health Records and Personal Health Accounts. This emphasis on prevention will result in better health outcomes for beneficiaries, as well as long-term cost savings.
- The Governor recommends funding for Investments in Health Information Technology as part of the Medicaid Reform proposal. New technologies will be expanded to assist with personal health records in order to promote prevention and wellness. Electronic health records increase provider efficiencies and quality of care and technology improves chronic disease management. Additionally, new technology improves the safety of prescription drug dispensing and enhances delivery of long-term care.
- The Governor recommends funding for implementation of Health Information and Home Health Technology as part of the Medicaid Reform proposal. This allows Medicaid to expand the use of new technology in the provision of long-term care services. These benefits will be provided in both residential care and community based settings to help improve health outcomes and cost avoidance.
- The Governor recommends funding for the integration of Medicaid prescription drugs with Medicare - Part D as part of the Medicaid Reform proposal. Integration will simplify the prescription drug delivery system and the coordination of benefits by creating a single source for all drug coverage for the "dual eligible" population.
- The Governor recommends funding for a Long-Term Care Options Counseling Program as part of the Medicaid Reform proposal. Long-Term Care Options Counseling will promote non-publicly financed long-term care arrangements, such as; reverse mortgages and commercial long-term care insurance. Several agencies will partners to establish resource centers in three Idaho communities. Aging Resource Centers will provide broader information on alternatives to Medicaid-financed long-term care services and serve as critical information and referral sites for end-of life issues.
- The Governor recommends funding for new portability of the Long-Term Care Assessment Program as part of the Medicaid Reform proposal. Electronic health records will be incorporated into long-term care assessments to create an integrated health information system using common language and common measures. This permits providers across the continuum of care to improve continuity of care.
- The Governor recommends funding for a Public Reporting and Consumer Information Program as part of the Medicaid Reform proposal. Medicaid will build on the existing "Medicare Compare" program for nursing facilities and home health agencies to include quality of care information for all Medicaid-financed long-term care, including those provided through home and community based services.

- The Governor recommends funding implementation of a new Cost-Sharing Program as part of the new Medicaid Reform proposal. A new, realistic and enforceable cost-sharing plan will increase the responsibility of Medicaid beneficiaries for the cost of their health care, while encouraging cost-effective care in the most appropriate setting. This may include establishing co-payments for certain services, such as inappropriate emergency room utilization, inappropriate emergency transportation, non-preferred drugs, and missed appointments with health providers. Cost-sharing will also include monthly premium payments for participants with family incomes above 133% of the federal poverty level.
- The Governor recommends funding for a new program, Healthy Schools Healthy Daycares, as part of the Medicaid Reform proposal. Healthy Schools Healthy Daycares provides an opportunity to promote wellness and preventive health services for children in after school programs and daycare.
- The Governor recommends a new Appropriate Benefits for Healthy Populations Program as part of the Medicaid Reform proposal. The program will design a benefit package based on the needs of the beneficiaries for children and adults who have an average health condition. Current benefits for this population include a degree of service coverage that is not appropriate for enrollees with average health. Changes to the benefit plan will have a preventative focus while managing expenditures more efficiently.
- The Governor recommends a new Premium Assistance Option as part of the Medicaid Reform proposal. Premium assistance will be expanded to allow individuals a choice to participate in the State Premium Assistance Programs, Access to Health Insurance, and Access Card.
- The Governor recommends a new Pay for Performance Program as part of the Medicaid Reform proposal. The Pay for Performance Program grants payments to providers structured to offer incentives for preventive care, key outcomes, and chronic disease management. The key performance criteria will include immunizations, well-child checks, management of chronic diseases, and best practices in delivery of mental health care. The outcome is a healthier population, resulting in a reduction of health care costs in the future.
- The Governor recommends a new Asset Transfer Restriction Policy as part of the Medicaid Reform proposal. New restrictions limit the transfer of assets for benefits. In addition, Idaho will implement safeguards to prevent individuals from disposing of funds for non-essential needs in order to become eligible for Medicaid long-term care coverage.

Education

College & Universities

- The Governor recommends increasing funding to Idaho's colleges and universities for research activities related to Idaho's science and technology core competencies of power and energy; agriculture/biosciences; imaging; and nanosciences and materials. The additional \$1,000,000 will be used to expand the Idaho Research Foundation to a statewide entity that will assist with technology transfer and patent and licensing agreements and enhance the Research Matching Grants Program, which will operate in cooperation with the Higher Education Research Council.

Historical Society, Idaho State

- The full costs of occupying the new Idaho History Center are provided with this recommendation.

Library, Idaho State

- The Governor recommends funding the full cost of occupying the space vacated by the Idaho Historical Library. In addition, the budget provides funding for modest furnishings for the facility.

Professional Technical Education

- Current year growth in the demand for high school and post-secondary vocational education is provided in this recommendation. The growth in high school programs is split between enrollment in traditional programs and increases in professional-technical magnet schools that allow multiple districts to take advantage of high-tech learning environments. Post secondary enrollment increases are driven by the increased need for trained professionals in the areas of health professions, computer equipment repair, and legal and educational aids.

Budget Highlights

Public Broadcasting, Idaho

- The conversion to digital studio equipment is recommended in the Idaho Public Television budget. This conversion will allow antiquated analog equipment to be replaced with digital in the production studios of the agency. The conversion to digital capabilities began in FY 2001 with the replacement of the north/south microwave system and continued into FY 2003 with the replacement of transmitters. Funding is provided for the second of three phases necessary to convert all studio equipment to digital capability. This phase will include replacement of equipment in the production studios in Moscow and Pocatello.

Public School Support

- *Idaho Code 33-1004E* establishes the base salaries for public school teachers, administrators, and support personnel. The Governor recommends \$27,000,000 for a base salary increase for these various categories of public school employees that includes an increase in the minimum pay for teachers to \$30,000 per year.
- The Governor proposes a phased implementation of elementary physical education requirements. The recommendation includes funding for 30 minutes of physical education per week for all elementary students.
- The Governor recommends an increase in district discretionary spending to \$25,930. This increase comes as a direct result of increased equalized property tax values.
- The total number of support units is expected to increase from 13,200 to 13,500. Increases for support unit growth are fully funded in the recommendation. The cost of the increase in support units equates to \$18,766,700 in General Fund support for FY 2007. All of the amounts recommended are for the salaries and benefits of teachers, administrators, and support personnel.
- The Governor recommends General Fund in the amount of \$1,710,900 for the increased costs of transportation in both the home-based virtual and traditional public schools. FY 2007 costs for home-based virtual schools is expected to be \$561,000.
- The Bond Levy Equalization Program provides interest subsidies on bonds passed by local school districts. The subsidies are based on the economic conditions of the district and range from 10% to 100% of the interest on the bond. The Governor recommends that the \$5,300,000 Bond Levy Equalization Program be funded with lottery proceeds for FY 2007. Increases in dividends and carryover funds make this recommendation possible.
- The budget includes \$1,450,000 for implementation of rules related to high school reform; \$500,000 to local school districts to provide advanced learning opportunities; \$450,000 to the Idaho Digital Learning Academy to provide greater access to Advanced Placement courses; and \$500,000 for middle-school math teacher training to enhance abilities to teach algebra and pre-algebra concepts.

Vocational Rehabilitation

- The Governor's recommendation provides funding for cooperative service agreements that the division has with the Department of Correction. This allows vocational rehabilitation services to be delivered to persons transitioning from incarceration to the world of work.
- The budget includes federal funding for the reclassification of rehabilitation support personnel in local offices. This change will increase efficiencies and services to vocational rehabilitation clients.

Economic Development

Agriculture, Department of

- The Governor recommends 2.0 FTP for confined feeding operations inspectors to cover parts of the state that are not currently covered for Confined Animal Feeding Operations (CAFO) inspections. Another 1.0 FTP is recommended for the Invasive Species Program.

- The Governor supports enhancing the Marketing Program by continuing the Idaho Preferred Program that has been supported by a federal grant and now will be funded by the General Fund including making permanent 1.0 FTP. The Governor recommends additional funding for the Mexico trade office and an increase in Operating Expenditures for the Marketing Program.

Commerce and Labor, Department of

- The Governor supports the efforts of the department to enhance the Rural Grant and the Economic Development programs. Funding is provided to increase the Rural Community Block Grant Program to \$3,550,000 and the Economic Development Specialist Program to \$600,000. Of the increase in rural grants, the Governor recommends that \$500,000 be targeted to science and technology related projects in rural Idaho.
- The Governor's recommendation includes \$300,000 to create a new part-time office in Japan and upgrade the current Shanghai, China office to full-time status. These two offices will enhance Idaho's presence in Asian markets and provide for increased opportunities to sell Idaho produced goods in this rapidly-expanding area.
- The Governor recommends \$300,000 in grant funding for a TechConnect Program in Idaho. This program will assist high-tech firms to take innovative ideas to the marketplace. TechConnect offices in each region of the state will be coordinated in partnership with the Department of Commerce and Labor in order to leverage local efforts to enhance the high-tech industry.
- The recommendation includes additional funding for small business innovative research grant assistance. \$100,000 will be used to assist Idaho businesses to offset the costs associated with applying for and obtaining federal research grants.
- The recommendation includes funding for 1.0 FTP to assist in promoting Idaho as a filmmaking destination. The position will be funded using dedicated fund sources.
- The Governor recommends using funds generated from the 2% Hotel/Motel Tax to enhance travel and tourism grants and promotional activities.
- The budget provides spending authority in anticipation of funding generated by the new Science and Technology license plate.

Finance, Department of

- The Governor's recommendation includes funding for one additional deputy attorney general. This new position is needed due in part to new regulatory oversight, an increase in the number of licensees and the multitude of new issues in the financial services industry. The personnel costs and 1.0 FTP will be located in the Attorney General's budget, while Finance will reimburse those costs through the State Wide Allocation Cost Plan (SWCAP).
- An increase of \$266,800 is recommended for the Department of Finance for moving costs. With the expansion of existing programs and the creation of new licensing programs, the agency has maxed out their existing office space. Finance currently has 54.0 FTPs housed in 9,713 square feet, making it one of the most densely packed state agencies.

Insurance, Department of

- The Governor's recommendation includes an increase in FY 2006 of approximately \$96,000 in federal funds for the State Health Insurance Benefit Advisor Program. This program educates Idaho citizens on how to understand and analyze their Medicare billing information, as well as being a liaison between providers and beneficiaries
- The Governor's recommendation provides spending authority for replacement of the existing insurance database. The developer no longer supports the current licensing software application the agency is using.. The new system will meet compliance requirements set forth by the National Association of Insurance Commissioners (NAIC) license conformity.

Budget Highlights

Industrial Commission

- The Governor's recommendation includes a supplemental of approximately \$415,000 for moving costs and increased lease expenses in FY 2006. Due to unprecedented growth in the Crime Victim's Compensation and Compliance programs the commission has outgrown their current facilities. In addition, the City of Boise has eliminated free street parking around the commission headquarters, forcing Commission clients to pay for parking to attend their hearings and conduct other commission business.
- The Governor recommends funding for a medical fee program coordinator to be hired on a contract basis for a period not to exceed 24 months. HB 331, passed during the 2005 legislative session, requires the Industrial Commission to establish a fee schedule for medical providers that provide medical services for injured workers. The implementation of this new program will require a dedicated position to handle disputes, questions, and other customer service type issues.
- The Governor's recommended budget does not include any increase for worker's compensation insurance. The Industrial Commission is providing a discount to all workers compensation insurers in FY 2007, in order to reduce their current free fund balance. This discount to the insurance companies will in turn result in over \$1.0 million in savings to Idaho employers, including the State of Idaho.

Self-Governing Agencies

Building Safety, Division of

- The Governor's recommendation includes supplementals for FY 2006 of approximately \$106,000 for overtime pay and \$378,000 to hire 8.0 FTPs. The new inspector and clerical positions will be hired in FY 2006 to reduce the amount of funding needed for overtime pay for existing employees in all of the bureaus. The number of permits handled by inspectors has increased 17% since FY 2005. Each permit requires at least two inspections and demand is continuing to grow. The division is unable to maintain current inspection process resulting in a backlog that may compromise the safety of Idaho Citizens.
- Due to the dramatic increase in fuel costs, the Governor is recommending an additional \$214,200 in dedicated funds for FY 2006 to cover the increase in Operating Expenditures.
- The Governor's recommendation includes 3.0 FTPs and \$257,300 in dedicated funds to address the need for inspections to be performed for the Electrical, Plumbing, and HVAC programs. Also included is \$45,000 for 1.0 FTP for clerical staff to be split across all the bureaus to support the additional inspectors and work load.
- The Governor's recommendation includes \$800,00 in dedicated funding for a commercial, off-the-shelf software to license, permit, inspect, and track plan reviews on-line. The new system will provide more efficient, robust software that will allow on-line renewals, permit purchases, inspection requests, permits in progress, history of permits, and licensed contractors.
- Included in the Governor's recommendation is approximately \$163,000 in Personnel Costs for seasonal compliance officers. Compliance continues to be a major concern throughout the State. Every time an unlicensed person works without a permit the safety of Idaho Citizens is endangered.
- The Governor's recommends funding for 1.0 FTP for a financial specialist senior; due to the ongoing reorganization, continued growth in reporting requirements, enhanced accountability standards, and monitoring performance.

Lottery Commission

- The Governor's recommended budget includes \$173,000 in dedicated funding to implement a wireless order pad system for use by regional sales representatives. This new order pad system will result in increased efficiency and effectiveness of sales calls.

Medicine Board

- The Governor recommends funding the new Physical Therapy Board created in last year's Legislature.
- The Governor recommends creating a Substance Abuse Recovery Network Program for all the other health fields under the Board of Medicine similar to the one for the physicians. This is good consumer protection and has a substance abuse treatment component.

Professional Engineers and Land Surveyors, Board

- The Governor's recommendation provides approximately \$47,000 for a replacement documentation system. The board currently has a paper-intensive system for statutorily mandated records retention. The new system will incorporate imaging and workflow components into a database management system.
- The Governor recommends funding for 1.0 FTP. This position will perform investigations; coordinate and manage information technology issues; evaluate licensee credentials; and assist the director in an attempt to address the backlog of complaints that continues to grow, despite efficiencies achieved by technology and renewal system improvements.

Real Estate Commission

- The Governor's recommendation provides funding for 1.0 FTP in licensing to respond to the large increase of licensees in the State of Idaho. There has been a 33% increase from FY 2002 to FY 2005 in the number of real estate licenses in Idaho.
- The Governor recommends an increase of \$50,000 for consultant services to perform needs analysis, develop a request for proposal (RFP), and implement an electronic document management system. The commission currently has a paper-intensive system for statutorily mandated records retention as well as incredible levels of increased license applications, complaints, and investigations in direct response to the booming housing market.
- Dedicated spending in the amount of \$53,000 and 1.0 FTP is recommended to provide for an additional inspector position. The number of disciplinary actions has increased by 118% since 1999. The investigator position not only serves licensees, but the citizens of Idaho who may become involved in harmful real estate transactions.
- SB 1242, passed during the 2004 legislative session, provided all future fines collected would be dedicated to the funding of an education program. Approximately \$95,000 in dedicated spending authority is recommended to develop an education program for Idaho licensees to help prevent future consumer fraud or harmful real estate transactions.

Transportation

- The Governor supports the Transportation Department's request for Grant Anticipation Revenue Vehicle (GARVEE) bonding authority to begin the Connecting Idaho Program. He recommends the acceptance of the project list as submitted by the department for bonding for FY 2007 and funding the state match for debt service on the bonds.
- The Governor recommends an overhaul of the Division of Motor Vehicles information technology systems throughout the state to improve delivery to customers of driver's license information and registrations. He supports the expenditure of \$3 million to begin the project.
- The Governor recommends \$33,236,500 in increased federal spending authority based on the new reauthorization bill SAFETEA-LU as well as a supplemental for \$39,534,500 for past year's funds from the reauthorization.

Budget Highlights

Natural Resources

Environmental Quality, Department of

- Shift \$293,500 in funding for four positions that administer the Wastewater State Revolving Loan Program from federal to dedicated funds. Administration of this program is currently paid for by a 4% set-aside from the federal capitalization grants that the department receives from the U.S. Environmental Protection Agency. Federal capitalization grants have decreased substantially over the last few years; thereby, reducing the funding available from the set-aside to administer the loan program. The amount available is no longer sufficient to fund DEQ's administrative costs.
- Transfer \$250,000 in General Fund from Trustee/Benefit Payments to Personnel Costs and provide an additional \$50,000 in order to allow the department to fill approximately seven vacant positions in the Water Quality Program. Also shift \$68,700 in funding for one position in the Waste Management and Remediation Program from indirect support to General Fund.
- Provide \$350,000 in General Fund to add 4.0 FTPs, two each in the Air Quality and Water Quality Programs, for engineering and permitting assistance to industry and local government in response to economic growth around the state. In many areas of the state demands for required air and water quality engineering reviews and permit applications for industrial, municipal, and private development has more than doubled since FY 2000 without a corresponding increase in Department staffing levels.
- Shift \$96,100 in funding for the Coeur d'Alene Basin Commission executive director from federal funds to the General Fund. The U.S. Environmental Protection Agency agreed to fund this position for two years: FY 2005 and FY 2006.
- Provide \$66,300 in General Fund and \$3,500 in dedicated funds to provide staff support for the Lake Pend Oreille, Pend Oreille River, Priest Lake, and Priest River Commission.

Fish and Game, Department of

- Provide \$1,285,300 in federal, dedicated, and other funds for recurring Capital Outlay. Most of this money, \$1,032,300 in federal funds, is to continue the process of replacing and constructing new fish screens to protect migrating salmon and steelhead. There is also \$158,000 in dedicated funds for boating and fishing access, and \$95,000 in other funds to construct shooting ranges.
- Provide \$103,200 in federal, dedicated, and other funds for wildlife and habitat management activities. It includes \$95,200 in the Wildlife Program and \$8,000 in the Winter Feeding and Habitat Improvement Program. A significant amount of the money (\$39,100) will support two part-time farm bill coordinators who will assist landowners in managing their land with wildlife needs in mind.
- Provide \$35,000 of dedicated funds in the Winter Feeding and Habitat Improvement Program to expand public access as part of the Access Yes Program.
- Provide \$66,800 in dedicated and other funds to implement a Conservation Enforcement Internship Program aimed at promoting and recruiting qualified conservation officers in the Enforcement Program.
- Provide \$65,300 in federal and other funds in the Wildlife Program to hire additional temporary help aimed at improving the department's knowledge of the distribution and abundance of breeding birds in the state.
- Provide \$154,300 in federal and dedicated funds in the Fisheries Program to work on preventing sport fish being listed on the Endangered Species List. It consists of \$53,600 in temporary help and \$100,700 in one-time Capital Outlay.
- Provide \$425,100 in funds from other state departments for technical assistance in the Wildlife Program. It includes \$121,900 in ongoing funds from the Idaho Transportation Department to consult with them on realigning Highway 95 in Northern Idaho. It also includes \$303,200 in one-time funds from the Department of Parks and Recreation for improvements at the Myrtle Creek Campground near Lewiston.
- Provide \$145,300 in dedicated and federal funds in the Communications Program to provide additional temporary help and Operating Expenditures to improve the public's involvement in fish and wildlife management activities.

- Provide \$107,600 in federal, dedicated, and other funds in the Fisheries Program for statewide fish management and fish hatchery activities. It does not include the \$42,600 in other funds requested for a fish culturist position.

Lands, Department of

- Provide a \$9,250,000 General Fund supplemental to reimburse the Fire Suppression Deficiency Warrant Fund for the state's share of last year's fire fighting costs.
- Transfer the state endowment land portion of dedicated hazard management costs (\$619,500 in the Fire Management Program) to the Forest Resources Program. These funds along with \$2,454,600 of dedicated funds in the scaling forest products and road maintenance programs in the Forest Resources Program are being moved into the Endowment Administration Fund. These changes will streamline timber management activities and allow for the transfer of approximately \$9 million from these three dedicated funds into the various endowment earnings reserve funds.
- Remove \$650,000 in excess spending authority in the Forest Resources Program. The department removed \$250,000 in Department of Lands funds and \$400,000 in Endowment Administration Funds. The Governor's recommendation substitutes a \$200,000 reduction in General Fund dollars for some of the dedicated funds. This will partly offset the loss of \$400,000 in annual investment earnings the General Fund will experience by the proposal to shift approximately \$9 million from the Department of Lands fund to the various endowment earnings reserve funds. Endowment earnings reserve funds retain investment earnings, while earnings in Department of Lands funds go to the General Fund.
- Transfer 2.0 FTPs and \$140,000 in Endowment Administration Funds from the Forest Resources and the Land, Range and Minerals Programs (one from each program) into the Administration Program to assist endowment resource staff in identifying, analyzing and capitalizing on land asset opportunities. A land use planner and a strategic business analyst represent two skill sets targeted by management as necessary to advance the endowment reform effort and to maximize the transition land and land bank purchase opportunities. No additional Operating Expenditures or Capital Outlay is needed.
- Provide \$23,300 in Economic Recovery Reserve Funds to purchase a truck for the forestry assistance program.
- Provide \$25,000 in General Fund and \$25,000 in Economic Recovery Reserve Funds for the Timber Protection Associations. The General Fund is ongoing. The Economic Recovery Reserve Fund is one-time for a vehicle.

Lava Hot Springs Foundation

- The Governor is recommending dedicated funding for 1.0 FTP to develop aquatic based instruction programs such as aerobics, swim lessons, competitive swimming, lifeguard certification, etc. The position will train, evaluate, coach, and schedule seasonal and part-time employees. Development of the aquatic program is critical to the facility being utilized to its maximum potential.
- The Governor's recommendation includes \$375,000 in dedicated funds to demolish the old dressing rooms that were replaced in FY 2005, and remodel the public reception area at the hot pools.

Parks and Recreation

- The Governor's recommendation includes \$450,000 in dedicated funding for a new on-line reservation system. The level of service provided by the agency's current reservation system does not meet the needs of the public nor the agency. The system cannot calculate fees accurately, and is incapable of providing basic utilization and revenue reports.
- The Governor has provided funding for new equipment used for trail maintenance, enforcement, and education for the state's various recreation programs, as well as funding for improvements to over 18 existing state parks that will correct failing roofs, sewer, water, and electrical systems. Funding is also included to provide potable water where none currently exists; repair and provide asbestos abatement in park housing; provide a fire suppression system for the Cataldo Mission; and upgrade visitor facilities to current ADA standards.

Budget Highlights

- The Governor's recommended budget includes \$540,000 in dedicated one-time funding for the repair and refurbishment of park employee housing and \$1,050,000 for new employee housing. Maintaining a physical presence in state parks enhances public safety in times of emergency and is a deterrent to vandalism and inappropriate use.
- There is dedicated funding and 1.0 FTP for a new assistant manager at Lake Cascade. Aggressive economic development around Lake Cascade has created significant additional needs for the State Park based on increased visitation and a significantly more complex operating environment.
- The Governor has also included dedicated funding for Eagle Island Park and Castle Rocks State RV Campground. The population growth and urbanization of rural areas in the Treasure Valley has created a more critical need for open space and has brought new challenges in daily operations for Eagle Island Park staff. Due to a new campground being constructed, Castle Rocks is anticipating an increase in park visitors.
- Approximately \$1.7 million is recommended for various development projects throughout the State of Idaho in the capital development bureau budget. These funds will provide improvements within Idaho's State Parks that will preserve Idaho's public spaces, provide economic assistance to local communities, and benefit the citizens of Idaho by expanding recreational possibilities and enriching visitor experience within Idaho's State Parks.

Water Resources, Department of

- The Snake River Basin Adjudication (SRBA) process is nearing completion. The Governor recommends that \$300,000 of the \$703,500 in receipt spending authority the SRBA Program currently has, for which there will be no cash to support in FY 2007, been replaced with one-time Economic Recovery Reserve Funds. This will result in a \$403,500 reduction in spending in FY 2007, which is in keeping with the phase-down of the program.
- The Governor recommends that 8.0 FTPs and \$567,700 in General Fund dollars in the Adjudication Program be transferred into other programs within the department. Seven positions and \$499,000 would be transferred to the Water Management Program to focus on water rights administration. The other position and \$68,700 in General Fund dollars would be transferred to the Planning/Technical Services Program to add a technical staff hydrologist.